

## Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ADP-00 SSO-00 CCO-00 /026 W  
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O R 151510 Z MAR 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 3191

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

S E C R E T NEW DELHI 3013

EXDIS

E. O. 11652: GDS

TAGS: PFOR, MASS, IN, PK, US

SUBJECT: FIRST CALL ON PRIME MINISTER GANDHI

SUMMARY: I MET THIS AFTERNOON WITH PRIME MINISTER GANDHI FOR  
HALF AN HOUR. THE MEETING WAS CORDIAL -- CERTAINLY SO BY CONTRAST  
TO THE GENERAL UPROAR HEREABOUTS. END SUMMARY.

1. I HAD PREPARED THE FOLLOWING TALKING POINTS WHICH I READ  
WITH ONLY SLIGHT VARIATIONS:

A. I HAVE A LETTER FROM THE PRESIDENT WHICH YOU MAY WISH TO  
TAKE A MOMENT TO READ. --- HE IS DEEPLY SERIOUS IN WHAT HE WRITES.  
HE WOULD NOT HAVE ASKED ME TO COME BACK INTO GOVERNMENT IF THIS  
WERE NOT SO. HE WISHES TO BE IN MUCH CLOSER CONTACT WITH YOU  
THAN HE HAS BEEN. MY JOB WILL BE TO REPORT TO HIM WHAT YOU  
THINK, AND IN TURN TO REPORT TO YOU WHAT HE THINKS.

B. THERE IS ONE CENTRAL CONCEPT IN HIS THINKING AT THIS TIME.  
THIS IS THAT A " NEW SITUATION" HAS EVOLVED IN SOUTH ASIA SINCE  
THE EVENTS OF MID-1971. THE FUNDAMENTALS OF THIS NEW SITUATION  
ARE CLEAR TO US, AS THEY WOULD BE TO ANY OBJECTIVE OBSERVER.  
WE SEE NO PROSPECT THAT THEY WILL CHANGE, NOR HAVE WE ANY  
DESIRE THAT THEY SHOULD DO SO.

C. WE WISH NOW TO RESUME RELATIONS THAT WERE INTERRUPTED IN  
MID-1971 ON THE BASIS OF THIS NEW SITUATION. AS I EXPLAINED TO  
THE FOREIGN SECRETARY YESTERDAY, THIS MEANS CLEARING UP A FEW  
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PAST UNDERTAKINGS ABOUT WHICH WE FEEL WE MADE FIRM COMMITMENTS, AND THEN GETTING ON WITH THE FUTURE. THESE COMMITMENTS WERE BOTH TO INDIA AND PAKISTAN.

D. I AM ASKED TO MAKE ONE POINT MOST EXPLICITLY, WHICH IS THAT THE PRESIDENT'S DECISION TO CLEAR UP THE BOOKS ALSO INVOLVED A CONSCIOUS DECISION ON HIS PART NOT TO OPEN UP A MILITARY SUPPLY LINE TO PAKISTAN, BUT MERELY TO CLEAR UP THE BOOKS. THERE WERE NO AIRPLANES, NO TANKS, AND NO ARTILLERY INVOLVED. THE REMAINDER OF THE "ONE-TIME EXCEPTION" OF 1970 IS REGARDED AS HAVING LAPSED. OUR POLICY HENCEFORTH WILL BE NOT TO SUPPLY LETHAL ARMS TO ANY NATION OF THE SUBCONTINENT. WE BELIEVE WE ARE THE ONLY MAJOR ARMS SUPPLIER IN THE WORLD WHICH HAS SUCH A POLICY. CLEARLY THE EXISTING MILITARY RATIOS ON THE SUBCONTINENT CAN NEVER BE ALTERED AS A RESULT OF ANY AMERICAN ACTION UNDER THIS POLICY. THE FOREIGN SECRETARY, SPEAKING FOR YOU AND FOR THE MINISTER OF EXTERNAL AFFAIRS, EXPRESSED TO ME THE GRAVE CONCERN OF THE GOVERNMENT OF INDIA AT THE ACTIONS MY GOVERNMENT HAS TAKEN, AND I IMMEDIATELY, OF COURSE, RELAYED THIS CONCERN TO WASHINGTON. AND YET I DO HOPE YOU WILL SEE THAT THE NEW SITUATION IN SOUTH ASIA HAS NOT CHANGED, AND WILL NOT CHANGE AS A RESULT OF AMERICAN POLICIES.

E. THE UNITED STATES NOW HOPES TO DEVELOP A NEW RELATIONSHIP BETWEEN OUR NATIONS ON THE BASIS OF MUTUAL RESPECT FOR EACH OTHER'S INTERESTS. INDIA AND THE UNITED STATES ARE BOTH WORLD POWERS AND THAT MEANS A HEAVY AND CONTINUOUS SET OF RESPONSIBILITIES AND CONCERNS. IT PROBABLY MEANS WE WILL NOT ALWAYS SEE MATTERS IN PRECISELY THE SAME PERSPECTIVE. AND YET WE ARE NATURAL FRIENDS AND HAVE NO CONFLICTING INTERESTS BETWEEN US. WE FOR EXAMPLE VERY MUCH HOPE THE SIMLA ACCORDS WILL MOVE FORWARD. WE HAVE RECOGNIZED BANGLADESH, AND ARE PROVIDING A GREAT DEAL OF AID TO THAT NATION, AND EXPECT IT WILL CONTINUE TO NEED SUCH AID FOR A CONSIDERABLE WHILE. WE HOPE THERE WILL BE A BILATERAL SOLUTION TO THE PRESENT SITUATION. IN A WORD, WE HOPE FOR A NORMAL RELATIONSHIP WITH INDIA AS OF ONE WORLD POWER TO ANOTHER. WE EACH SHARE THE FUNDAMENTAL INTEREST OF OTHER WORLD POWERS IN PEACE AND A RISING DEGREE OF COOPERATION,

F. I WOULD LIKE TO RAISE ONE SUBSTANTIVE MATTER. AS A RESULT OF AID WHICH THE UNITED STATES PROVIDED INDIA WHEN IT WAS A NEW NATION, AND FURTHER AID THAT CAME ABOUT IN THE AFTERMATH  
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OF SERIOUS DROUGHTS IN THE 1960 S, THE UNITED STATES HAS ACCUMULATED

A VERY LARGE SUM OF SO- CALLED PL 480 FUNDS. THE UNITED STATES ACCOUNT PRESENTLY AMOUNTS TO SOME 685 CORERES OF RUPEES ( DOLS 914 MILLION), AND WILL RISE TO 4,200 CRORES ( DOLS 5.603 BILLION). THIS IS AN UNNATURAL CONDITION TO EXIST BETWEEN TWO WORLD POWERS. IT IS AN INEVITABLE SOURCE OF ANXIETY AND STRAIN, NOT LEAST BECAUSE THE UNITED STATES USES THESE RUPEES FOR LOCAL EXPENDITURES OF THE US EMBASSY IN INDIA. FINANCE MINISTER CHAVAN HAS SAID THAT THIS ARRANGEMENT CANNOT GO ON INDEFINITELY. WE AGREE. AND WE WOULD ALSO AGREE WITH HIS STATEMENT THAT " IF A SATISFACTORY SOLUTION IS NOT FOUND TO THIS PROBLEM, PERHAPS IT MAY REMAIN WITH US FOREVER." WE THINK A SATISFACTORY SOLUTION CAN BE FOUND IN WHICH THE GOVERNMENT OF INDIA WOULD AGREE TO PROVIDE FOR OUR LOCAL EXPENSES FOR A

FIXED PERIOD OF YEARS, AGREE TO DEVOTE SOME FURTHER PART OF THE RESOURCES TO USEFUL ACTIVITIES WHICH WOULD BE CARRIED OUT WHOLLY UNDER INDIAN DIRECTION, AND THEN WRITE THE REST OFF. ONCE THIS AGREEMENT IS REACHED THE MATTER WOULD BE DONE WITH FOR GOOD AND ALL. I WOULD LIKE PERMISSION TO BEGIN DISCUSSIONS OF THIS WITH WHOMEVER THE PRIME MINISTER DESIGNATES.

2. MRS. GANDHI TOOK MILD EXCEPTION TO THE DESCRIPTION OF INDIA AS A WORLD POWER, SAYING THAT INDIA DID NOT BELIEVE IN POWER POLITICS AND IN ANY EVENT DID NOT HAVE THE RESOURCES TO ACT AS OTHER NATIONS HAD DONE IN THE PAST. INDIA HAD BEEN INVADED FIVE TIMES SINCE OBTAINING FREEDOM. THIS HAD CAUSED A DESPERATE STRAIN ON HER RESOURCES. THE GOVERNMENT WAS NOT " ON THE MAT" WITH RESPECT TO THE AMERICAN DECISION TO RESUME ARMS SHIPMENTS. ( HERE IS INDICATED THAT SHE ASSUMED WE WERE PRESENTING THE APC' S AS NON- LETHAL EQUIPMENT AND THAT SOMEHOW A CASE COULD BE MADE FOR THIS POINT.) SHE SAID SHE HOPED I WOULD HAVE A " FRUITFUL MISSION" ALTHOUGH " YOU HAVE NOT MADE A GOOD BEGINNING." SHE WAS BEARISH ABOUT THE PROSPECTS FOR A PAKISTAN- BANGLADESH SETTLEMENT, BUT DID NOT TAKE T  
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**TAGS:** MASS, PFOR, IN, PK, US  
**To:** SECSTATE WASHDC  
SS INFO BOMBAY  
CALCUTTA  
MADRAS  
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